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212

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/100,684 06/19/98 TEDESCO D WD2-98-019

022927
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TM01/1120

EXAMINER

MYHRE, J

ART UNIT

PAPER NUMBER

2162

13

DATE MAILED:

11/20/00

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.
09/100,684

Applicant(s)
Tedesco et al

Examiner
James Myhre

Group Art Unit
2162



☒ Responsive to communication(s) filed on May 16, 2000

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

☒ Claim(s) 1-27 *Cancelled* is/are pending in the application.

Of the above, claim(s) _____ is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) 1-27 is/are rejected.

☐ Claim(s) _____ is/are objected to.

☐ Claims _____ are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) _____.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☒ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 11 & 12

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

Art Unit: 2162

DETAILED ACTION

Continued Prosecution Application

1. The request filed on September 7, 2000 for a Continued Prosecution Application (CPA) under 37 CFR 1.53(d) based on parent Application No. 09/100,684 is acceptable and a CPA has been established. An action on the CPA follows.

Response to Amendment

2. The preliminary amendment filed on September 7, 2000 has been considered but is ineffective to overcome the McNatt et al (Business Week), Linnen et al (AT&T News Release), and Jermyn (6,026,370) references.

Claim Rejections - 35 USC § 112

3. The preliminary amendment filed on September 7, 2000 has overcome the 35 U.S.C. 112 rejections in paragraphs 4, 5, and 6 of paper number 8. Therefore, the Examiner hereby withdraws those rejections.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 2162

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1, 11-13, and 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNatt et al (Business Week) in view of Linnen et al (AT&T News Release) and in further view of Krauss (CED).

Claims 1, 11-13 and 22: McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier. Linnen discloses that this system has been practiced by AT&T and others since at least 1990 (See "History of slamming" on page 1).

However, as argued by the Applicant, neither McNatt nor Linnen discloses that the second entity will transfer the funds directly to the first entity. Krauss discloses several similar methods of acquiring new customers by a second entity (cell phone company, cable TV company, or digital TV broadcasters) in which the second entity transfers the funds directly to the first entity. For example, in the first paragraph on page 1, Krauss discloses that "the cellular phone company sends a check for \$200 to Circuit City. That covers the remaining cost of the phone." and that "The cell phone company considers it a marketing cost or customer acquisition cost." Thus, the customer's bill at Circuit City for purchasing the cellular phone is being paid at least in part by the cellular phone company. While the Krauss article was published in February 1998, the Examiner can attest of personally experiencing this type of cellular phone subsidy while a sales associate for

Art Unit: 2162

Radio Shack in 1991 and 1992. At that time the price of a cellular phone was, for example, \$250. A customer could purchase the cell phone for that price; or, if desired, sign a one or two year contract with a cellular phone service provider and pay only \$50 for the phone. I would then activate the customer's new phone with the service provider's codes, and Radio Shack would collect the remaining amount (\$200) from the service provider. A similar well known example, which directly pertains to AT&T and other long distance carriers, is the customer acquisition method in which the long distance carrier will pay the switching fees to the phone company when the customer becomes AT&T's customer (changes their long distance service to AT&T).

In addition, while neither McNatt nor Linnen discloses how AT&T selects which potential customers are sent the offer (checks), Official Notice is taken that it is old and well known within the marketing arts to send acquisition solicitations to individuals who are not current customers of the business. The use of the customer database of a competitor or a third parties as a resource for potential customers which is cross-checked with the business' own customer database is also well known. It is also well known to identify customers within the database using a customer identifier, such as an account number, social security number, etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this

Art Unit: 2162

manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers.

6. Claims 2-10, 14-21, and 23-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNatt, Linnen, and Krauss as applied to claim 1 above, and further in view of Jermyn (6,026,370).

Claims 2-5 and 15: McNatt, Linnen, and Krauss disclose a system and method used by AT&T to acquire customers as in Claim 1 above, but none explicitly disclose that the selection of the individual is based on satisfying predetermined criteria. Jermyn discloses a similar system and method to provide an offer to a competitor's customer by selecting individual's who meet certain predetermined criteria (col 2, line 59 - col 3, line 4; and col 6, line 61 - col 7, line 65) such as brand loyalty, number of members in the customer's household (demographic), address information (geographic), payment method (financial), and other demographic data. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to select the potential AT&T customers using similar criteria. One would have been motivated to select customers using predetermined criteria in order to increase the acceptance rate of the offer by targeting the most likely individuals.

Claims 9, 18, 25, and 27: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While none of the references disclose that the offer is being enclosed in a billing

Art Unit: 2162

statement from the first entity, Official Notice is taken that it is old and well known within the marketing arts to insert advertisements (offers) in billing statements. In most instances, these advertisements are not for products of the billing entity, but are for products or services from third parties. These third parties normally pay the first entity a fee for inserting the advertisement. Furthermore, Applicant has given several examples of businesses paying billing statement issuers to include promotional materials with the billing statements (page 2, lines 25-30). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to insert the AT&T offer into the billing statement of the first entity, such as the local telephone company. One would have been motivated to do this in order to decrease the postage cost of separate mailings to the second party and to provide increased revenue to the first party. (Examiner notes that recent changes in the law allowing local phone companies to offer long distance service may dampen their receptiveness to this type of arrangement.)

Claims 14 and 19-21: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1 and 2 above. As discussed in Claims 9 and 18 above, it is well known for the first entity to insert third party offers into its billing statements. It is also obvious that in order to do this, the second entity must provide the first entity with a list of customers whom the second entity has selected to receive the offer.

Claims 6, 7, 16, and 23: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14,

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Art Unit: 2162

and 22 above. While Jermyn discloses checking whether financial data from the customer database meets predetermined criteria, none of the references explicitly disclose that the customer database includes an amount due which is equal or less than a predetermined maximum amount. Official Notice is taken that it is old and well known within the marketing arts to make promotional offers to pay “up to” a certain amount. For example, NabiscoTM attaches coupons to boxes of vanilla wafers which offer to pay up to 40 cents on the purchase of bananas. If the shopper only purchases 32 cents worth of bananas, the merchant will redeem the coupon for only 32 cents, not the maximum 40 cents. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to check the amount due by the customer and to authorize payment “up to” a maximum set by the second entity. One would have been motivated to pay the amount due up to the maximum payment amount in order to ensure that the first entity does not receive a larger amount than what it was due.

Claims 8, 17, and 24: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While none of the references disclose that the individual agrees upon acceptance of the offer to remain a customer of the second entity for a specified period of time, Official Notice is taken that it is old and well known within the marketing arts to present awards and incentives to new customers when they agree to remain customers for a specified period of time. For example, for years mobile telephones and now cellular telephones have offered numerous incentives, such as free phones, reduced rates, rebates, etc. to new customers who sign up for one, two, or more

Art Unit: 2162

years of service. These agreements often included substantial penalties if the customer switched to another carrier within the contracted period of service. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to require the new customer to remain with the second entity for a specified period of time. One would have been motivated to require this in order to reduce the number of customers who hop from one service to other just to take advantage of the current offer, such as has been experienced by the online service providers who offer one month free internet connection when a user switches. Many users hop from one service provider to another, using up their free month of service, then canceling their account and signing with another service provider with a similar offer.

Claim 10: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1 and 2 above. While none of the references explicitly disclose that AT&T determines if the individual has accepted the offer, it is inferred that AT&T would determine this from the checks which had been cashed.

Claim 26: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, and 22 above. McNatt and Linnen also disclose that the potential customer must receive the offer, indicate acceptance (by signing the check), and become a customer of the second entity (switch to AT&T). Examiner considers the act of signing the check as the equivalent as utilizing acceptance indicia on the billing statement. Furthermore, it is obvious that if the customer accepts the offer, this acceptance must somehow be communicated back to the second entity. Acceptance indicia

Art Unit: 2162

are well known within the marketing arts and may take the form of check boxes, signatures, placing or removal stickers, etc. and that these indicia are located on other documents such as billing statements, game pieces, order forms, postcards, etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to also include a check box on the AT&T check to verify the customer's desire to switch to AT&T. One would have been motivated to include such an acceptance indicia in view of McNatt's discussion of the FCC guidelines to prevent "slamming".

Response to Arguments

7. Applicant's arguments filed September 7, 2000 have been fully considered but they are not persuasive.

a. Applicant's arguments in reference to the claimed feature of paying at least a portion of an amount due if the individual becomes a customer of a second entity have been discussed under Claim 1 in paragraph 5 above. The new reference by Krauss discloses this feature.

b. Applicant argues that it is not old and well known to provide a first entity with a list of its customers to whom a second entity wishes to include an insert with their bill. Applicant further argues that "the first entity could simply insert third party offers in all of its billing statements" or else that "the first entity could select on the basis of its own choosing which billing statements are to receive the third party offer." Applicant concludes by arguing that "There is simply no logical basis for concluding that the practice of including third party offers in a billing

Art Unit: 2162

statement requires that the third party ("second entity") provide the issuer of the billing statement with a list of customers who are to receive the offer." While the Examiner admits that any of these methods can be used to decide which billing statements, it is much more common and logical for the second entity to provide the bill issuer with either a list of desired customers or else the criteria by which such customers are to be selected. This criteria could range from the customer's age, location, income level, etc. to whether or not the customer is already a customer of the second entity or not. Depending upon the offer, the second entity may desire that only present customers receive the offer or else that only persons who are not already customers receive the offer. For example, if the local phone company (first entity) has 100,000 customers of whom 25,000 have AT&T as their long distance service, it would be completely illogical for AT&T to have the local phone company send an offer (\$5 check) to all 100,000 customers. The 25,000 customers whom are already AT&T customers would certainly cash the check, since it would not change their status. This would be a completely needless \$125,000 expense to AT&T with no customer acquisition taking place. Therefore, the Applicant's arguments on this matter are simply not persuasive.

c. Applicant's arguments in reference to Claim 22 are moot in light of the new rejection of the claim in paragraph 5 above.

Conclusion

Art Unit: 2162

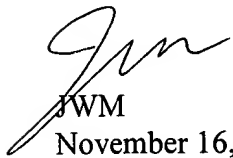
8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Goldberg, Jeff (Point.com) discloses the widespread use of subsidies by wireless carriers of analog cell phones. This reference is cited to support the above position about cell phone subsidies being well known.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:00 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on (703) 305-9768. The fax phone number for Formal or Official faxes to Technology Center 2100 is (703) 308-9051 or 9052. Draft or informal faxes for this Art Unit can be submitted to (703) 305-0040.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-3900.


JWM
November 16, 2000


JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

ATTACHMENT TO AND MODIFICATION OF
NOTICE OF ALLOWABILITY (PTO-37)
(November, 2000)

NO EXTENSIONS OF TIME ARE PERMITTED TO FILE CORRECTED OR FORMAL DRAWINGS, OR A SUBSTITUTE OATH OR DECLARATION, notwithstanding any indication to the contrary in the attached Notice of Allowability (PTO-37).

If the following language appears on the attached Notice of Allowability, the portion lined through below is of no force and effect and is to be ignored¹:

A SHORTENED STATUTORY PERIOD FOR RESPONSE to comply with the requirements noted below is set to EXPIRE **THREE MONTHS** FROM THE "DATE MAILED" of this Office action. Failure to comply will result in ABANDONMENT of this application. ~~Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).~~

Similar language appearing in any attachments to the Notice of Allowability, such as in an Examiner's Amendment/Comment or in a Notice of Draftperson's Patent Drawing Review, PTO-948, is also to be ignored.

¹ The language which is crossed out is contrary to amended 37 CFR 1.85(c) and 1.136. See "Changes to Implement the Patent Business Goals", 65 Fed. Reg. 54603, 54629, 54641, 54670, 54674 (September 8, 2000), 1238 Off. Gaz. Pat. Office 77, 99, 110, 135, 139 (September 19, 2000).